

News from Rep. Stephanie Herseth  
For Immediate Release  
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## **HERSETH: SOUTH DAKOTANS ACROSS STATE CONCERNED WITH SOCIAL SECURITY PRIVATIZATION PLANS**

South Dakotans Oppose Guaranteed Benefit Cut, Massive Borrowing Required by a Move to Private Accounts

**April 7, 2005, Washington, D.C.** - On a conference call with reporters today, U.S. Rep. Stephanie Herseth today outlined the results of meetings she's been holding statewide to gauge South Dakotans' opinions on privatizing Social Security. Over recent weeks, Herseth has held meetings in Sioux Falls, Aberdeen, Rapid City, Spearfish, Brookings, Vermillion and Huron.

"I arranged these meetings because I know how important Social Security is to South Dakota, and I wanted to hear from those who would be most affected by changes," Herseth said. "I was interested in hearing opinions, dispelling myths, setting forth the facts, and taking ideas and opinions of constituents back with me to Washington. In order for me to effectively do my job, it's important that I hear from South Dakotans on the issues being debated in Congress."

Herseth reported that a wide majority of South Dakotans she spoke to held concerns about plans to privatize Social Security. "The consensus among the South Dakotans I met with was that the program needs some fine tuning to address the long term challenges, but not an overhaul to address a crisis that doesn't exist," Herseth said. "Any Social Security reform proposal must strengthen Social Security and ensure its solvency. Privatization does not do either."

Herseth reported that many South Dakotans' opposition to privatization plans is based on the guaranteed cut in benefits, and the massive borrowing required to finance the transition. "Under the proposed plan, whether you sign up for private accounts or not, your benefit will be cut. And in a time of national debt, we simply can't afford to be so fiscally irresponsible by borrowing trillions more," Herseth said.

Herseth also noted that many have been led to believe that Social Security is in much worse shape than it actually is. The Social Security Trust Fund is currently operating at a surplus. It will continue to do so until 2018, when the Fund will begin to pay out more than it collects. Even so, the Trust Fund will be able to pay out 100% of all benefits until the year 2051. According to the Congressional Budget Office, payroll deductions and the earnings from the Social Security Trust Fund will be sufficient to pay the current level of benefits until 2051 and thereafter the program could continue to pay 80% of the current level of benefits.

Congresswoman Stephanie Herseth serves South Dakota in the U.S. House of Representatives. She is a member of the Blue Dog Coalition, a group of moderate Democrats

committed to fiscal discipline and strong national security, and is co-chair of the Rural Working Group, which is dedicated to raise the profile of issues important to rural America. She also serves on three committees vital to South Dakota's interests: Agriculture, Veterans' Affairs and Resources.

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